[illegible]

[illegible] and in addition to the monthly payments of principal and interest payable under the terms of the note secured hereby, he will pay to the Mortgagee, on the first day of each month until the said note is fully paid, the following sums:

A. [illegible] Housing and Urban Development as follows:

I. [illegible] the National Housing Act, as amended to date of the loan [illegible] the Secretary of Housing and Urban Development pursuant to the National Housing Act and applicable Regulations thereunder;

II. [illegible] to the Secretary of Housing and Urban Development and the Mortgagee insurance premiums which shall be in an amount equal to one twelfth [illegible] percent of the average outstanding balance due on the note secured hereby [illegible] and delinquency charges;

B. A sum equal to the ground rents, if any, next due, plus the premiums that will next become due and payable on policies of fire and other hazard insurance covering the mortgaged property, plus taxes and assessments next due on the mortgaged property (all as estimated by the Mortgagee) less all sums already paid therefor divided by the number of months to elapse before one month prior to the date when such ground rents, premiums, taxes and assessments will become delinquent, such sum to be held by Mortgagee in trust to pay said ground rents, premiums, taxes and special assessments, and

C. [illegible] the Mortgagee in trust to pay said mortgage insurance premiums under the terms hereof. The Mortgagee may at any time collect and hold amounts in excess of the maximum allowed by the applicable law.

[illegible] shall be applied by the Mortgagee to the following items in the order set forth:

I. [illegible] under this mortgage in accordance with the Secretary of Housing and Urban Development [illegible] charges, if any, fire hazard insurance premiums, as the case may be;

II. [illegible] taxes and assessments next due and fire hazard insurance premiums;

III. [illegible] the note secured hereby; and

IV. [illegible] the principal thereof.

Any deficiency in the amount of any such aforementioned payment shall, unless made good by the Mortgagor prior to the due date of the next such payment, constitute an event of default under this mortgage. The Mortgagee may collect a late charge not to exceed four cents (4¢) for each dollar ($1.00) of each payment not paid within fifteen (15) days in order to cover the extra expense involved in handling delinquent payments.

3. If the total of payments made by the Mortgagor under (b) of paragraph 2 preceding shall exceed the amount of payments actually made by the Mortgagee for taxes or assessments or insurance premiums, as the case may be, such excess, if the loan is current, at the option of the Mortgagor, shall be credited on subsequent payments to be made by the Mortgagor, or refunded to the Mortgagor. If, however, the monthly payments made by the Mortgagor under (b) of paragraph 2 preceding shall not be sufficient to pay taxes and assessments and insurance premiums when the same shall become due and payable, then the Mortgagor shall pay to the Mortgagee any amount necessary to make up the deficiency on or before the date when payment of such taxes, assessments, or insurance premiums shall be due. If at any time the Mortgagor shall tender to the Mortgagee, in accordance with the provisions of the note secured hereby, full payment of the entire indebtedness represented thereby, the Mortgagee shall, in computing the amount of such indebtedness, credit to the account of the Mortgagor all payments made under the provisions of (b) of paragraph 2 hereof which the Mortgagee has not become obligated to pay to the Secretary of Housing and Urban Development, and any balance remaining in the funds accumulated under the provisions of (b) of paragraph 2 hereof. If there shall be a default under any of the provisions of this mortgage resulting in a public sale of the premises covered hereby, or if the property is otherwise acquired after default, the Mortgagee shall apply, at the time of the commencement of such proceedings, or at the time the property is otherwise acquired, the balance then remaining in the funds accumulated under (b) of paragraph 2 preceding, as a credit against the amount of principal then remaining unpaid under the note secured hereby, and shall properly adjust any payments which shall be then made under (a) of paragraph 2.

4. If the mortgagor shall fail to make payment of any taxes, assessments, water rates, and other governmental or municipal charges, fines, impositions, or insurance premiums, that may be required to be paid in accordance with this mortgage, or in default thereof the Mortgagee may pay the same, and the amount so paid, with interest at the rate provided in the note secured hereby, shall be secured hereby and shall be immediately repaid by the Mortgagor to the Mortgagee. If the Mortgagor fails to make any payment provided for in this mortgage, or any other payment or taxes, assessments, or the like, the Mortgagee may pay the same and the amount so paid, with interest as aforesaid, shall be secured hereby and shall be immediately repaid by the Mortgagor.

5. That he will keep the premises in good state of repair and will not commit or permit waste thereof, reasonable wear and tear excepted.

6. That he will keep the improvements now existing or hereafter erected on the mortgaged property insured as may be required from time to time by the Mortgagee against loss by fire and other hazards, casualties and contingencies in such amounts and for such periods as may be required by the Mortgagee and will pay promptly, when due, any premiums on such insurance or renewals thereof, or payment of which has not been made to maintain. All insurance shall be carried in companies approved by the Mortgagee and the policies and renewals thereof shall be held by the Mortgagee and have attached thereto loss payable clauses in favor of and in form acceptable to the Mortgagee. In event of loss the Mortgagor will give immediate notice by mail to the Mortgagee, who may make proof of loss if not made promptly by Mortgagor, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to the Mortgagee instead of to the Mortgagor and Mortgagee jointly, and the insurance proceeds, or any part thereof, may be applied by the Mortgagee at its option either to the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged. In event of foreclosure of this mortgage or other transfer of title to the mortgaged property in extinguishment of the indebtedness secured hereby, all right, title and interest of the Mortgagor in and to insurance policies then in force shall pass to the purchaser or grantee.

7. That he will keep all the premises, improvements, and fixtures of the mortgaged property in good and clean condition and repair; and if he shall be a party to any proceeding instituted pursuant to this instrument, then the Mortgagee shall have the right to have a receiver appointed of the rents, issues, and profits, who, after deducting all charges and expenses attending such proceedings and the management of the property, shall apply the residue of the rents, issues, and profits to the payment of the debt and liens.

8. That if the premises, or any part thereof, be condemned under any power of eminent domain, or acquired for a public use, the damages, proceeds, and the consideration for such acquisition, to the extent of the full amount of indebtedness upon the mortgage and the note secured hereby remaining unpaid, are hereby assigned by the Mortgagor to the Mortgagee and shall be paid forthwith to the Mortgagee to be applied [illegible] whether due or not.